

## Message Text

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PAGE 01 BELGRA 02183 01 OF 02 081638Z  
ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 /026 W  
-----081640Z 127073 /53

O R 081605Z APR 77  
FM AMEMBASSY BELGRADE  
TO SECSTATE WASHDC IMMEDIATE 200  
INFO AMCONSUL ZAGREB  
USMISSION IAEA VIENNA

C O N F I D E N T I A L SECTION 1 OF 2 BELGRADE 2183

EXDIS

E.O. 11652: GDS  
TAGS: ENRG, TECH, YO  
SUBJECT: KRSKO

REF: A. BELGRADE 2092 B. STATE 76337

1. CHARGE MET WITH BERNARDIC APRIL 8 FOR MORE THAN 90  
MINUTES. NO PROGRESS WAS ACHIEVED BUT BERNARDIC SAID  
DIALOGUE MUST BE CONTINUED.

2. BERNARDIC SAID HE BELIEVES NO PROGRESS HAS BEEN MADE  
BECAUSE THE US SIDE INSISTS ON ADDITIONAL GUARANTEES OR  
COMMITMENTS. HE SAID IN HIS TALKS WITH THE U.S.  
DELEGATION, PARTICULARLY VEST, ALTHOUGH AN AGREEMENT WAS NOT  
REACHED, IT WAS AGREED THAT YUGOSLAVIA WOULD REASSERT OR REAFFIRM  
ITS ALREADY ASSUMED AGREEMENTS. THE VERY WORDS "REASSERT"  
OR "REAFFIRM" CLEARLY MEAN THAT NO NEW MATTER IS TO BE  
INCORPORATED.

3. BERNARDIC SAID THE MOST RECENT AMERICAN TEXT GIVEN TO THE  
GOY RUNS CONTRARY TO THE COMMENTS ON NUCLEAR POLICY  
MADE BY PRESIDENT CARTER (CHARGE HAD SENT COPY OF  
CARTER'S SPEECH TO BERNARDIC BEFORE MEETING.) NOWHERE  
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DOES PRESIDENT CARTER'S STATEMENT SAY THAT AGREEMENTS  
WILL BE REACHED BY WAY OF PRESSURE AND THAT COUNTRIES  
WILL BE PRESSURED TO MAKE NEW COMMITMENTS. ON THE  
CONTRARY CARTER'S STATEMENT SPEAKS OF USING FRIENDLY  
DISCUSSIONS TO REACH SOLUTIONS.

4. HE SAID FURTHER THE LATEST YUGOSLAV POSITION, THE

DRAFT LETTER TO IAEA, IS THE ONE IN WHICH THEY HAVE HONESTLY REAFFIRMED IN AN ELABORATE MANNER ALL HITHERTO ASSUMED OBLIGATIONS BY YUGOSLAVIA IN THE NUCLEAR FIELD AND THAT THIS IS WHAT YUGOSLAVIA HAS AGREED ON FOR THE US. US WELCOME TO PROPOSE CHANGES IN LANGUAGE OF DRAFT. HE SAID IF THE TWO SIDES ARE TO ADHERE TO THE YUGOSLAV-US OBLIGATIONS REGARDING KRSKO, THE PRESENT DISCUSSIONS WOULD NOT BE NECESSARY. HOWEVER, BECAUSE YUGOSLAVIA UNDERSTANDS THE US ARGUMENT, IT IS TRYING TO PRODUCE A NEW FORMULATION BUT CONTAINING ONLY THE OLD OBLIGATIONS ALREADY ASSUMED. HE STRESSED THAT IT WAS UNACCEPTABLE TO YUGOSLAVIA TO ASSUME OR TO UNDERTAKE ANY NEW OBLIGATIONS ON A BILATERAL BASIS APART FROM THOSE ALREADY ASSUMED IN THE UNDERSTANDINGS.

5. IN CONNECTION WITH THIS, HE STATED THAT DELIVERY OF EQUIPMENT AS WELL AS FUEL HAS BEEN DELAYED AND SUGGESTED THAT THE USG LIFT THE EMBARGO ON THE DELIVERY OF EQUIPMENT IN ORDER NOT TO DELAY WORK ON THE SITE. IN THIS REGARD THE FACT THAT THE USG IS BLOCKING THE SUPPLY AND THE DELIVERY OF THE EQUIPMENT DURING THE DISCUSSIONS IS SOMETHING THAT CAN BE EXPLAINED IN NO OTHER WAY EXCEPT AS A FORM OF PRESSURE ON YUGOSLAVIA.

6. CHARGE REVIEWED HIGHLIGHTS OF THE PAST DISCUSSIONS AND EMPHASIZED THAT OUR STRESS IS NOT SO MUCH ON SEEKING A ROLE FOR THE US BUT RATHER ON THE QUESTION OF LIMITATIONS ON THE RETRANSFER AND REPROCESS OF FUEL. AS LONG AS THIS END IS ACCOMPLISHED, WE HAVE NOT INSISTED ON A ROLE FOR THE US AS WITNESS OUR WILLINGNESS TO CONFIDENTIAL

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ACCEPT ORIGINAL YUGOSLAV DRAFT OF PARA 4 (C). HE REMARKED THAT THE NPT PROVIDES A MINIMUM OF PROTECTION AND THAT NPT SIGNATORIES ARE FREE, AND INDEED SOME HAVE ALREADY ESTABLISHED STRICTER, MORE FIRM CONTROLS IN THEIR DEALINGS IN THE INTERNATIONAL FIELD, WITHOUT THEREBY COMING INTO CONFLICT WITH OR WEAKENING NPT.

7. BERNARDIC SAID THAT THE REQUEST THAT YUGOSLAVIA UNILATERALLY ASSUME THE OBLIGATION THAT IT WOULD NEITHER TRANSFER NOR REPROCESS IS NOT ONLY NEW BUT IS SOMETHING WHICH WOULD BE VIEWED IN YUGOSLAVIA AS CAPITULATION AND RENOUNCING ONE'S SOVEREIGN RIGHTS. "WE WOULD BE BINDING OUR OWN HANDS." A NEW BILATERAL OBLIGATION WOULD BE NO BETTER THAN A UNILATERAL STATEMENT AND WOULD BE SEEN AS YUGOSLAVIA OFFERING ITS HANDS FOR

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ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 /026 W

-----081640Z 126906 /53

O 081605Z APR 77

FM AMEMBASSY BELGRADE

TO SECSTATE WASHDC IMMEDIATE 201

INFO USMISSION IAEA VIENNA

AMCONSUL ZAGREB

C O N F I D E N T I A L SECTION 2 OF 2 BELGRADE 2183

EXDIS

THE US TO BIND. A MULTILATERAL OBLIGATION WOULD BE SUBSTANTIALLY THE SAME. ANY NEW TERMS COMPROMISE NOT A SMALL CONCESSION BUT A MAJOR ONE WHICH WOULD CHANGE YUGOSLAVIA'S STATUS FROM THAT OF INDEPENDENCE IN THE AREA OF NUCLEAR SOVEREIGNTY TO THAT OF DEPENDENCE.

8. CHARGE MADE REFERENCE TO THE STRENGTH OF PRESIDENT CARTER'S CONVICTIONS IN THIS AREA, THE DEGREE TO WHICH HE HAS VOLUNTARILY BOUND US THUS INHIBITING FURTHER ECONOMIC/COMMERCIAL ADVANTAGES AND THE DETERMINATION TO SEE OUR PAST PRACTICES NOT CONTINUED, ALL IN THE INTERESTS OF STRENGTHENING CONTROL OVER REPROCESSING OR TRANSFER OF NUCLEAR FUELS AND EQUIPMENT.

9. ASKED BY CHARGE HOW WE SHOULD NOW PROCEED, BERNARDIC SAID DIALOGUE SHOULD CONTINUE. HE SAID IT WAS NECESSARY TO MAKE HIS REMARKS SO TO PREVENT ANY FURTHER FORMULATIONS WHICH WOULD BE WITHOUT CHANCE OF ACCEPTANCE. HE NOTED THAT ON THE STRENGTH OF THE PRESIDENT'S STATEMENT HE COULD NOT CONCLUDE THAT US INTENT WAS TO IMPOSE NEW COMMITMENTS ON COUNTRIES WITH WHOM AGREEMENTS HAVE BEEN REACHED AND CONTRACTS ALREADY SIGNED. RATHER, BERNARDIC CONTINUED, THE PRESIDENT  
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SEEMS TO BE SEEKING NEW SAFEGUARDS AGAINST RISKS BUT SEEKING THEM IN A DEMOCRATIC FASHION. EVERYTHING ELSE CARRIES CONNOTATIONS OF A STRONGER VS. WEAKER

RELATIONSHIP.

10. GIVEN NATURE OF BERNARDIC'S PRESENTATION,  
CHARGE SAW NO POINT IN SEEKING NEGOTIATE ON TEXT  
OF PARA 4 (C) AS PROVIDED BY REF (B). WE WILL SEND  
OUR RECOMMENDATIONS ON HOW TO PROCEED EARLY NEXT  
WEEK AFTER MALLOY RETURNS FROM WASHINGTON.  
YORK

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## Message Attributes

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